

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, CA 95814



IMPLEMENTATION COMMITTEE MINUTES

January 11, 2008

Legislative Office Building
Sacramento, CA

Members Present

Lori Morgan, SAB/OPSC
Fred Yeager, CDE
Chad Rohrs, DOF
Gary Gibbs, CBIA
Kathy Hicks, DSA
William Savidge, CASH

Vinceena Kelly (Alternate for Kenn Young, CCSESA)
Mark DeMan, LAUSD
Margie Brown (Alternate for Peggy Reyes, CASBO)
Brian Wiese, AIA
Steve Looper (Alternate for Constantine Baranoff, SSD)

Members Absent

Mavonne Garrity, SAB
Debra Pearson, SSDA
Cesar Diaz, SBCTC
Dennis Dunston, CEFPI

The meeting was called to order at 9:35 a.m. The minutes from the November 2, 2007 meeting were accepted.

The following announcements were made:

- Mavonne Garrity, Implementation Committee Chair, was unavoidably absent, and Lori Morgan chaired this meeting.
- The January State Allocation Board (SAB) meeting will be held on Wednesday, January 30, 2008 at the State Capitol, Room 4203 at 4:00 p.m.
- The proposed amendments to the Joint-Use Program were e-mailed to the committee members, and comments are requested by January 22, 2008. A hard copy was also provided to the Committee members present.
- The Chair announced Chad Rohrs had taken a new position outside of the Department of Finance and thanked him for his service to the Committee.

Career Technical Education Facilities Program

Office of Public School Construction (OPSC) Staff members Tracy Sharp, Josh Damoth and Candace Ly presented this topic.

Staff presented regulation amendments that clarify the eligibility requirements of projects for the Career Technical Education Facilities Program (CTEFP). The regulation amendments state that for all stand-alone CTEFP projects (new construction and modernization), all contracts for

construction must be signed and all equipment purchases must be made on or after May 20, 2006. For modernization projects that are combined with a Qualifying SFP project, the contracts for construction must have been executed on or after May 20, 2006. Some committee members expressed concern because the proposed amendments to Regulation Sections 1859.193 and Section 1859.193.1 include different requirements for stand-alone new construction projects and new construction projects that are combined with a Qualifying SFP project. Based on comments from members, Staff agreed to consider occupancy date on or after May 20, 2006 for both new construction stand-alone projects and new construction projects combined with a Qualifying SFP project. The proposed amendments to Regulation Section 1859.196 regarding the funding order of projects were accepted as presented.

Staff presented revisions to the *Application for Career Technical Education Facilities Funding* (Form SAB 50-10), which clarify and streamline the information requested on the form. Discussions took place on the cost estimates required for each subcategory (construction, equipment and site development). Staff clarified that although applicant districts are required to provide cost estimates in each sub-category, the OPSC audit will consider the overall expenditures for the project, provided that the items in the scope of the project are completed as approved by the California Department of Education (CDE) and the SAB.

Staff informed the committee that the OPSC intends to present the amendments to the SAB at the January meeting. If approved, the OPSC will pursue completing the regulatory process to have the amendments in place for the second funding cycle.

2008 Implementation Committee Calendar

The calendar was presented and no changes were proposed.

Financial Hardship Update

OPSC Staff member Lisa Silverman presented this topic.

This item was presented to provide the Implementation Committee and audience an update and overview of the progress made on the OPSC School Facility Program (SFP) Financial Hardship (FH) Work Plan that was presented at the October 23, 2007 State Allocation Board (SAB) meeting. The FH Work Plan was developed in part from recommendations and findings made by the outside independent audit review that was conducted on the FH Program earlier in 2007 to improve the FH Program.

As of part of the overview of progress given by staff, it was explained that an Advisory Workgroup Committee was established to develop proposals to improve the financial review for the FH program. There have been several meetings and discussion with the workgroup, but it is still in a developmental stage.

Another topic of discussion was the FH Checklist. Some of the Committee members and audience commented on the recent issuance of the revised FH Checklist. It was stressed by staff that the checklist is in alignment with current SFP regulations. The checklist is a tool to assist districts to provide an understanding of all required documentation needed in order to have a complete and accurate submittal for a FH application package. This in turn will help expedite the OPSC review process and ultimately districts obtaining their project approvals sooner. Clarification was also given by staff that the FH reviews and approvals are done on a district wide basis and are valid for a six month period. Staff made assurances to the

Implementation Committee and audience that as the FH Advisory Work Group developed any regulations or policy proposals for the FH Program, an item would be presented to the SAB Implementation Committee for review, feedback and input in the future.

Grant Adequacy Study Update

This topic was presented by Denise Callahan of the Macias Consulting Group.

The Macias Consulting Group provided an update on the New Construction Grant adequacy study. The overview provided information regarding the type of data and the methodology being utilized to analyze the data. Concerns were raised over the quality of information used to generate the results. Several committee and audience members continue to be extremely concerned with the report and raised issues similar to those stated at the State Allocation Board meeting. It was anticipated that the final report would be completed and available for review on the Office of Public School Construction website by January 31, 2008. A Committee member also reiterated the Executive Officer's statement regarding taking a separate look at the grants for the County projects in general.

ADJOURNMENT AND NEXT MEETING

The meeting adjourned at 2:35 p.m. It was announced that the February Committee meeting would only be held if a sufficient number of topics warranted discussion. The next committee meeting was later scheduled for Friday, March 7, 2008 at 9:30 a.m. and will be held at the Legislative Office Building located at 1020 N Street, Room 100, Sacramento, California.